

**RULES
OF
TENNESSEE STATE OIL AND GAS BOARD
STATEWIDE ORDER NO. 2
PRODUCTION**

**CHAPTER 1040-4-7
REGULATING HIGH GAS/OIL RATIO
WELLS AND PREVENTING WASTE OF GAS**

TABLE OF CONTENTS

1040-4-7-.01	Classification	1040-4-7-.04	Wells Regulated
1040-4-7-.02	Escaping Gas	1040-4-7-.05	Gas-Lifted Wells
1040-4-7-.03	Unitization	1040-4-7-.06	Application of Rules

1040-4-7-.01 CLASSIFICATION An oil well with a gas/oil ratio in excess of two thousand (2,000) cubic feet of gas per barrel of oil (2,000:1) shall be considered a high gas/oil ratio well and may be limited by the Supervisor in the amount of gas permissible to produce.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-4-7-.02 ESCAPING GAS No gas shall be flared or permitted to escape into the atmosphere, but will not be utilized without waste, except upon approval of the Supervisor or where special orders are operative. If necessary to prevent undue waste of gas or dissipation of reservoir energy, the Oil and Gas Board may limit venting of gas.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-4-7-.03 UNITIZATION An attempt shall be made to unitize all pools, or reservoir, with high gas/oil ratios.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-4-7-.04 WELLS REGULATED Production from wells in pools or reservoirs that have both oil and gas production shall be regulated by the rules of Chapter 1040-4-7.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-4-7-.05 GAS-LIFTED WELLS Wells that are gas-lifted with gas from gas wells shall be prorated in the same manner as are high-ratio naturally flowing oil wells after subtracting the input gas from the output gas. The uneconomical or unreasonable use of gas for gas-lifting will not be permitted.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-4-7-.06 APPLICATION OF RULES If gas is produced from an oil reservoir or common source of supply and is returned to the same source, only gas not returned or utilized for lease or unit operations shall be considered in applying the rules of this section.

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.